

win the peace. It protects the middle class. It meets our obligations in Iraq. And it will help ensure that we have the resources necessary to accomplish our goals here at home, goals such as making health care more affordable, paying for homeland security, and keeping the President's promise to leave no child behind.

We should not abandon our mission in Iraq, and we understand the downsides of doing so. But we ought to demand that whatever we spend in Iraq be paid for with shared sacrifice, not deficit dollars.

We are already shortchanging critical domestic programs to pay for unwise tax cuts for the wealthiest Americans. In addition, the Bush fiscal record and its trillions in debt demand that we follow the commonsense approach of our amendment.

Since President Bush took office, the cumulative 10-year budget surplus has declined by almost \$10 trillion. We have gone from the largest budget surplus in American history to the largest deficit in American history this year. We have added nearly \$1 trillion to the debt inside of a single Presidential term. On top of that, we have passed a huge tax cut during wartime for the first time in American history. And that is the height of irresponsible, reckless budgeting.

The Bush administration blames the budget crisis on the Nation's response to September 11 and on funding for domestic programs, but that is a stunning misstatement of fact.

The simple facts are that the fiscal policies supported by this administration—tax cuts already passed, tax cuts that have been proposed, significant increases in defense spending and money for Iraq, and additional interest on the debt—have caused more than half of this turnaround. As the debt piles up, the President claims that he bears no responsibility when he, in fact, and his policies are the primary cause.

Senator BIDEN and I are making a commonsense proposal. Rather than borrowing an additional \$87 billion, we want to scale back a small portion of the tax cuts for the wealthiest Americans, for those making over \$300,000 a year. The average income of those in that top tax bracket is \$1 million a year. These Americans are not exactly hurting. Their real average after-tax income rose a remarkable 200 percent in the 1980s and 1990s, and their overall share of pretax income has nearly doubled over 20 years. That cannot be said of any other income group in the United States.

In the year 2000, the 2.8 million people who made up the top 1 percent of the population received more total after-tax income than did 110 million Americans who make up the bottom 40 percent. Think about that: The top 1 percent of Americans earned more income than the bottom 40 percent, and that is after taxes.

Mr. REID. Madam President, under the time allocated, we have some extra

time. So on behalf of Senator BIDEN, I yield 2 minutes to the Senator from Massachusetts.

Mr. KERRY. It is simply not unfair to ask those earning the most, those who are the most fortunate, those who are the most talented, the hard-working Americans who are earning more than \$300,000, not as a matter of any kind of targeting except for the fact they are the best off and have the greatest ability, to make this sacrifice without a negative impact on their lifestyle, on their choices, on their quality of life. This is a time for sacrifice. I believe it is appropriate for us to ask that in order to promote a free Iraq, in order to reduce the burden being placed on future generations of Americans, in order to reduce the burden placed on the middle class today, in order to have the least negative impact on our economy, the least negative impact on long-term interest rates, the least crowding out of borrowing by adding to the debt and crowding out private borrowing in the marketplace by public borrowing, the least negative impact on perceptions, the best way for America to deal with this problem of misinformation, this problem of promises broken is to turn to those the President seeks most to give the biggest breaks to most frequently and ask them to share the burden.

I hope my colleagues will do that, recognizing the sacrifice being made on a daily basis by 130,000 of our troops who live and die by what we do in the Senate and the House, in the Congress in Washington.

I thank the Chair.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Delaware. Mr. BIDEN. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. I meant to state earlier—and I know my colleague from California is about to speak—that the Senator from California was way ahead of me and way ahead of my friend from Massachusetts in one very important respect. She and Senator CHAFEE, long before I made this proposal, suggested that, quite frankly, the entire top 1 percent of the tax break be rolled back, not just \$87 billion, to pay for this and for other things to reduce the deficit. It was my intention to speak to that. Then I entered into what was an exchange with my friend from Utah, and I did not. I want to make clear what a central role she and Senator CHAFEE have played in making the fundamental point that all Americans should participate in making sure we win the peace and not saddle the next generation. That is unconscionable.

I yield the floor and thank my colleague.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Delaware. I appreciate those words. Both Senator

CHAFEE and I felt very strongly that this rate rollback that affects the top 1 percent is really the right thing to do at this time.

I particularly compliment the Senator from Delaware on the way he worked out this bill, because essentially this is a rollback of the accelerated rate cut that the top 1 percent received in May 2003. It rolls back the acceleration just enough to pay the \$87 billion cost of this supplemental. So it becomes a very reasonable way to pay for a part of this war which, to date, including this supplemental, will cost the American people more than \$150 billion.

This is a big day in the Senate. As many of us have pointed out this week at the Appropriations Committee hearing on the supplemental, there are questions in the \$21 billion reconstruction portion of the supplemental request. Senator BYRD has twice tried to divide the package—once in the Appropriations Committee, once here on the floor. We have not been successful in being able to do that.

At the same time, we also recognize the seriousness of the need that the Iraqi people and their transportation and water infrastructure face after decades of neglect. We certainly recognize the needs that our men and women have in Iraq.

The fact is, we don't have the money to pay for improvements in our own infrastructure. Owing to a lack of money, just a few hours ago I decided against offering an amendment to this supplemental that would have invested substantial moneys in our domestic infrastructure, a plan that would have enhanced the safety, security, and efficiency of our highway, transit, aviation, rail, port, environmental, and public buildings infrastructure.

The reality is that there is no money to fund necessary improvements here at home. The reality is, those of us on this side of the aisle have become deficit hawks, whereas a few years ago it was the other side of the aisle. So today we have greatly enhanced spending for preparedness, for homeland security, and for the military.

How is it we can be expected to approve this supplemental without asking the most obvious question: How are we going to pay for it?

I have joined with Senators BIDEN, KERRY, CORZINE, and others in supporting this legislation because it will provide the necessary financial footing to appropriately execute our obligations in Iraq and Afghanistan as contained in this supplemental. In 1998, following nearly 30 years of deficits and a seventeenfold increase in the Federal debt, from \$365.8 billion to \$6.4 trillion, bipartisan cooperation brought the budget back into balance again. In 1998, we had the first surplus in a long time. Some of the funds which would have gone to pay interest on the debt were instead spent actually paying down the debt, and we were all delighted.